SUEZ ENVIRONNEMENT
TOUR CB21
16, PLACE DE L'IRIS
92040 PARIS LA DEFENSE CEDEX
TEL +33 (0)1 58 81 23 23
FAX +33 (0)1 58 81 25 09
WWW.SUEZ-ENVIRONNEMENT.COM

PRESS RELEASE

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ACCELERATION OF ACTIVITIES IN 2010, NOTABLY INTERNATIONALLY

SHARP RISE IN ANNUAL RESULTS

OBJECTIVES TO INCREASE PROFITABILITY AND DIVIDENDS IN 2011-2013

SHARP RISE IN REVENUE ACROSS ALL BUSINESSES IN 2010

- Revenue €13,869 million, +12.8% rise across all divisions
- EBITDA: €2,339 million, + 13.6%, with €120 million cost savings(COMPASS 2)
- Net Result group share: €565 million, +40.1%, €1.15 earnings per share.

CONTINUATION OF THE GROWTH AND BUSINESS PERFORMANCE STRATEGY IN 2011-13

- Annual activity growth ≥ 5%[1], based on innovation and strengthened position in buoyant markets,
- Improved operating profitability with EBITDA growth ≥ 10%[2] in 2011 and ≥ 7%[1] in average for 2012-2013, rising faster than revenues,
- Net financial debt to EBITDA ratio around 3 times as soon as end of 2011
- Attractive return for shareholders with a dividend increasing by around 5%/year[3].

The Board of Directors, which met on February 8, 2011, approved the 2010 accounts of SUEZ ENVIRONNEMENT, which will be submitted for the approval of the General Meeting on May 19, 2011. The financial statements have been audited and certified by the auditors.

Commenting on the 2010 results, Jean-Louis Chaussade, CEO of SUEZ ENVIRONNEMENT, stated:

"In 2010, SUEZ ENVIRONNEMENT experienced sustained growth in all business lines, with a sharp rise in results.

The friendly takeover of AGBAR keeps its promises and marks a significant and consolidating step for SUEZ ENVIRONNEMENT, that strengthens its positions in the fast-growing water markets of Spain and Latin America. In addition, the acquisition of the waste activities of WSN in Australia[4] *consolidates the Group's presence in a market where it has already experienced significant growth. In 2010, the Group accelerated its international development and intends to continue taking advantage of the rapidly expanding water and waste markets.*

Within the context of progressive macro economic recovery, SUEZ ENVIRONNEMENT will continue its strategy of long-term growth and offer an attractive returns to its shareholders, with clearly defined medium-term objectives to create value on the large water and waste cycles.

Thanks to its innovation capability, SUEZ ENVIRONNEMENT is positioned as an environmental performance leader and major operator to promote more environmentally-friendly behaviors. With its expertise and human resources, SUEZ ENVIRONNEMENT aims at becoming a prime mover in the promotion of responsible green actions, which already form part of our daily activities."

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[1] At constant forex
[2] At constant forex and including consolidation effect related to the AGBAR operation in 2011.
[3] Dividend paid in 2011 related to 2010 results unchanged, objective of annual growth of around 5% for the next three years.
[4] Closed on January 31st 2011

In 2010 SUEZ ENVIRONNEMENT posted solid results and met its objectives

In 2010, SUEZ ENVIRONNEMENT posted highly increasing results and met all its annual targets, as raised mid-year[5].

Revenue

As at December 31, 2010, the revenue of SUEZ ENVIRONNEMENT was **€13,869 million, up +12.8% gross (+€1,573 million)** compared to December 31, 2009 which breakdowns as follows:

- **Organic change of +8.6%** an increase in the three divisions:
  - increased revenues in the Water Europe division of +€26 million (+0.8%)
  - strong organic growth in Waste activities of +€445 million for Waste Europe (+8.4%)
  - accelerated growth of International activities, with an organic change of +€560 million (+17.7%).
- **External growth of +2.3%** mainly linked to the unbundling of joint water companies in France and the AGBAR operation for Water Europe, the sale of London Waste and the first consolidation of recycling companies for Waste Europe, as well as the full consolidation of SITA Waste Services in the international division.
- **Positive impact of exchange rates +1.9%** due to the appreciation of the main operating currencies of SUEZ ENVIRONNEMENT to the euro, especially the Australian dollar, the US dollar, the pound sterling, the Chilean peso and the Swedish krona.

At constant forex (+€1,297 million), revenue grew by +10.9%.

Operating Performance

EBITDA was €2,339 million in 2010, an increase of +13.6% (+€279 million) and +10.5% at constant forex. The operating profitability rose thanks to positive EBITDA growth in the three divisions, at constant forex, especially in the International and Water Europe divisions with the consolidation of AGBAR. The Group's EBITDA margin increased to 16.9%.

Performance also benefited from the progression of the COMPASS 2 plan, which generated net savings of €120 million over the year. **The COMPASS 2 objective is raised, with net savings of €300 million for 2010-2012.**

In 2010, depreciation amounted to €975 million, up +16.3% mainly due to the scope effects of consolidating AGBAR and accounting for the PPA[6] relating to operations performed in 2010. **Current Operating Income stood at €1,025 million, a gross rise of +10.7%** and +6.2% at constant forex. Total growth was up in all divisions.

Net Income

Net Result group share stood at €565 million, up 40.1% over 2009. Earnings per share for 2010 came to €1.15[7] , versus €0.82 in 2009.

In 2010, the Group recorded net capital gains related to the AGBAR operation and the unbundling of joint water companies, as well as restructuring and impairment expenses, amounting overall to €196 million.

Financial result amounted to -€413 million in 2010, up from 2009, with a higher cost of debt of 4.9% (compared to 4.6% in 2009) and an increase in the average amount of debt over the period. SUEZ

[5] 2010 objectives raised for revenue and EBITDA when presenting the 2010 interim accounts.
[6] Purchase Price Allocation related to 2010 operations (AGBAR, unbundling of joint water companies and Sita Waste Services realized in 2009 but cashed out in 2010).
[7] EPS adjusted by the amount of the coupon on undated deeply subordinated notes (hybrid securities)

ENVIRONNEMENT extended the maturity of its debt to 6.2 years at the end of December 2010 (compared to 5.6 years in December 2009[8]) and maintained a fixed / floating rate debt distribution of about 70/30.

Tax was -€119 million in 2010 compared to -€129 million in 2009. The decrease is mainly due to the lower tax rate applied to the capital gains generated by the AGBAR takeover and the unbundling of joint water companies. Normative tax rate was 29% in 2010.

Minority interests over the year were -€155 million, compared to -€113 million in 2009, an increase resulting by the impact of the full consolidation of the minority interests associated with AGBAR.

Free Cash Flow and balance sheet

SUEZ ENVIRONNEMENT continued its strategy of cash-generation and investment selectivity in 2010.

- **Free Cash Flow rose by +20%[9] to €852 million. The FCF/revenue ratio is 6.1% compared to 5.8% in 2009,** benefiting from a positive working capital requirement of €269 million in 2010.

- **Net investments rose to €1,647 million.** In addition to the AGBAR operation for €429 million, the Group invested in water concessions in France and in Spain, in the regulated water market in the US and in Chile, and in waste valorization assets, especially in the Netherlands (Baviro), in Great Britain (PFI), in China and in Australia.

- **The net financial debt amounted to €7,526 million as at December 31, 2010, a 9% drop compared to June 30, 2010**. The difference compared to December 31, 2009 can be explained by the AGBAR operation and by negative exchange rate effects.
  The net debt/EBITDA ratio was 3.22 times, as at December 31, 2010.

- **The Group's ROCE[10] is 7.2% for a weighted average cost of capital of 6.6%.** Its evolution will benefit from organic growth and the improved operating profitability of existing assets, assets under construction and maintained selectivity of investments.

Dividend

*S*UEZ ENVIRONNEMENT will propose to the Annual General Meeting of Shareholders on May 19, 2011 the payment of a 0.65€ per share dividend **for the 2010 financial year**, this amount remains stable compared to the previous year.

[8] Excluding GDF SUEZ debt
[9] +20% growth in 2010 for FCF in 2009 excluding non-recurring items
[10] After taxes

MAIN EVENTS OF THE GROUP IN 2010

A YEAR OF STRENGTHENED STRATEGIC POSITIONS AND ACCELERATED INTERNATIONAL DEVELOPMENT

The year was marked by finalizing the friendly takeover of AGBAR, the leader in the Spanish water market, which took place half-way through the year. This second European pillar in water, after Lyonnaise des Eaux in France, has allowed SUEZ ENVIRONNEMENT to strengthen its position in Spain, where AGBAR already manages over 1,100 long-term contracts, and to benefit from the growth of a high-potential market buoyed by the protection of water resources and improvements in wastewater services in compliance with EU regulations.

Through AGBAR, SUEZ ENVIRONNEMENT also holds solid positions on the Chilean and British regulated markets. The consolidation of the Spanish company allows to generate commercial and procurement synergies and to develop a joint innovation platform.

SUEZ ENVIRONNEMENT has also consolidated its position on attractive markets internationally by pursuing an ambitious and selective development strategy. With 27% of its consolidated revenue realized outside Europe in 2010 compared to 20% in 2008, international activities have registered solid growth. An increased awareness of the future challenges involved in the water and waste sectors, the need for infrastructure and the adoption of increasingly demanding environmental standards in many countries, all indicate future areas of growth for the Group.

The Group's growth in Australia typifies the ambitious but selective development strategy that it has pursued. SUEZ ENVIRONNEMENT generated 6% of its revenue in Australia in 2010, compared to 1% in 2004, a result mainly driven by commercial momentum and tuck-in acquisitions. Thus, Degrémont is building the largest desalination plant in the southern hemisphere in Melbourne and SUEZ ENVIRONNEMENT has recently strengthened its position in the country through the acquisition of WSN Environmental Solutions, which offers to the Group geographical and operational synergy with existing activities.

INNOVATIVE OFFERS THAT POSITION SUEZ ENVIRONNEMENT AS A LEADING OPERATOR IN TERMS OF ENVIRONMENTAL PERFORMANCE

SUEZ ENVIRONNEMENT is pursuing an ongoing innovation policy by offering highly technological services and providing long-term solutions to environmental challenges, especially in the area of waste valorization, water resources protection, environmental footprint reduction and renewable energy generation.

In the area of waste, new valorization projects were developed, including the Cynar project that transforms end-of-life plastic materials into fuel, and the first packaging-removal unit for food waste capable of separating food from its containers. This first unit of its kind in France recycles materials and extracts energy. The treatment of this type of waste will reduce the tonnage incinerated or sent to landfill sites, enabling the objectives fixed by the Grenelle de l'Environnement to be met.

In the area of water, the Degrés Bleus offer, which has already been implemented in several local authorities, recovers heat from wastewater and then uses it to heat buildings. In addition, over 120,000 private customers have already subscribed to the Dolce Ô offer, which allows them to monitor their water consumption in real time and which provide insurance against water leaks.

To bring new offers to the market faster, SUEZ ENVIRONNEMENT has launched an innovation fund, BLUE ORANGE, which supports dynamic young technology companies in the environmental services industry.

All of these fast-growing innovative solutions deliver new services for customers and confirm the importance placed by the Group on pursuing a strategy focused on technological leadership and services.

SUEZ ENVIRONNEMENT IS AHEAD OF THE WASTE MARKET TRENDS

Given the scarcity of raw materials, the strengthening of environmental regulation and energy issues, the waste treatment market is shifting from elimination to valorization.

For SUEZ ENVIRONNEMENT, this trend was reflected in a rise in valorization volumes of 9%[11] for the year, while treated volumes increased progressively in 2010 (+1%). The Group's sorting and recycling activities also strongly benefited from higher prices for secondary raw materials, with improved profitability bolstered by a more optimized cost structure.

This shift in the waste market confirms SUEZ ENVIRONNEMENT's strategy to be positioned on the full value chain and to build new treatment plants in recent years, such as the EVI energy from waste plant (Netherlands-Germany) and the Bottle to Bottle plant in Limay (France).

SUEZ ENVIRONNEMENT has major assets to fully benefit from this market trend. The Group has developed a unique European waste treatment platform, strategic international positions, and a very wide range of technical expertise in all areas of energy and materials recovery.

SUEZ ENVIRONNEMENT is thus well positioned to seize all future growth opportunities in the waste sector, including in waste valorization.

2010 PERFORMANCE BY DIVISION

WATER EUROPE

In € million	31/12/2009	**31/12/2010**	Total change	Organic change	Constant forex change
Revenue	3,993	**4,248**	+6.4%	+0.8%	+6.3%
EBITDA	866	**1,035**	+19.6%	-3.0%	+18.1%
Free Cash Flow	249	**359**	+44.1%		

- Revenues in 2010 of the Water Europe division were €4,248 million, a +6.3% rise at constant forex, with the positive impact of the unbundling of joint water companies and the AGBAR operation. In terms of organic growth, these were up +0.8%. The operating performance of the division was also up, with a 24.4% margin and an EBITDA of €1,035 million, a gross increase of +19.6% and +18.1% at constant forex. Free Cash Flow rose sharply to €359 million.

- The activities of Lyonnaise des Eaux and AGBAR were fueled with new contracts, such as Strasbourg (8 years, €98 million) and Sartrouville (20 years, €25 million) in France, Calvia (50 years, €980 million) and Sant Vicenç dels Horts (50 years, €113 million) in Spain. In the water sector, the Group is developing new services that are expanding rapidly, with major marketing and sales efforts in France.

- Price evolution in France and Spain are positive due to the application of tariff escalation formulae; the volume of water sold decreased by -0.2% in Spain and -1% in France. The works activity grew by +5% in France, rebounding in the last quarter of 2010; however, this activity decreased in Spain, a country still experiencing low business levels.

[11] Excluding London Waste which was sold in 2009.

Waste Europe

In € million	31/12/2009	**31/12/2010**	Total change	Organic change	Constant forex change
Revenue	5,319	**5,863**	+10.2%	+8.4%	+9.3%
EBITDA	798	**839**	+5.2%	+4.1%	+4.4%
Free Cash Flow	341	**359**	+5.1%		

- The Waste Europe division generated revenue of €5,863 million, a gross increase of +10.2% and +9.3% at constant forex. The positive trend is mainly due to the high growth of the Sorting & Recycling activity (+49% in organic terms). The division's operating performance improved with an EBITDA of €839 million; the margin was slightly down at 14.3% due to the dilutive impact of the secondary raw materials price on the margin. The Waste Europe division generated a Free Cash Flow of €359 million, up +5.1% compared to the previous year.

- In 2010, sales activity was dynamic over the three areas of the division. SITA France was awarded the Ivry contract (6 years, €210 million) and renewed the SICTRM contract at Vallée du Loing (5 years, €20 million). SITA UK renewed its Aberdeenshire contract (15+5 years, €230 million), signed a PFI contract in Suffolk (€1.2 billion) and is a preferred bidder for the South Tyne & Wear PFI (£1 billion). SITA NEWS also signed the Edeka (2 years, €126 million) and Magna (5 years, €28 million) contracts in Germany.

- The Sorting & Recycling activity is driving growth in the division, as the price of secondary raw materials has risen sharply compared to 2009, together with higher volumes. The other activities are globally stable, both in terms of collections as well as in terms of other treatments. Market trends confirm the group's strategy to be positioned on the entire value chain, with a shift in treated volumes from elimination to valorization. Overall, the volume of waste treated increased by +1%, municipal volumes remained stable while industrial & commercial volumes have increased.

International

In € million	31/12/2009	**31/12/2010**	Total change	Organic change	Constant forex change
Revenue	2,969	**3,743**	+26.1%	+17.7%	+18.6%
EBITDA	468	**558**	+19.1%	+9.6%	+10.3%
Free Cash Flow	174	**272**	+56.1%		

- In 2010, the International division reported revenue of €3,743 million, up +26.1% and +18.6% at constant forex (+17.7% in organic terms), due to increased activity in all areas, especially due to the very high performance of Degrémont. EBITDA in the division increased by 19.1% and +10.3% at constant forex. Free Cash Flow generation rose sharply (+56.1%) to €272 million.

- In 2010, the international division activity was fueled with the well progressing building of the Melbourne desalination plant, the acquisition of the waste activities of WSN operator in Australia and the commercial wins in Achères (€110 million) in France, Mapocho (€260 million) in Chile, Saidabad (€90 million) in Bangladesh for Degrémont, and the Chongqing Changsu Chemical Industrial Park, in China.

- The Degrémont activity grew strongly (+37.8% at constant forex, +€416 million) thanks to high business levels in France with Evreux and Bordeaux contracts; internationally, it also signed contracts in Melbourne, Brazil, China and Chile. The Asian-Pacific area continues to develop with revenues up +13.8% at constant forex (+€95 million), with increasing volumes and prices in China and a sharp increase in Australia. Activity in North America rose +5.0% at constant forex (+€30 million) with an increase of water volumes sold due to a favourable summer period and increases in prices after achieving rate cases. The growth in the CEMME areas (+5.8% at constant forex, +€45 million) is due to the good performance of Lydec in Morocco and the waste activities in Poland.

INCREASED PROFITABILITY AND DIVIDENDS OBJECTIVES IN 2011-2013

In a context of progressive macroeconomic recovery, SUEZ ENVIRONNEMENT will continue its growth policy in 2011 and through to 2013, with the following objectives:

- **In 2011**
  - Revenue growth ≥ 5% at constant forex
  - EBITDA Growth ≥ 10%[12] at constant forex
  - Net Result group share (NRgs) > €425 million
  - 2011 Free Cash Flow ≥ 2010 Free Cash Flow, with maintained selectivity of investments
  - Net Financial Debt/EBITDA ratio at around 3 times as soon as end of 2011, one year in advance[13].

- **For 2012-2013**
  - Average revenue growth ≥ 5% at constant forex
  - Average EBITDA growth of ≥ 7% at constant forex
  - Net Financial Debt/EBITDA ratio maintained at around 3 times

- **Dividend policy**
  - €0.65/share related to the 2010 results
  - Around +5% annual dividend growth for the next 3 years
  - Targeting long-term payout ratio > 60%.

The Group is well positioned to take advantage of the strong growth in its markets, especially in areas with high potential such as Southern Europe in water, valorization activities in waste, and an ambitious and selective international development. The Group will build on its strong competitive advantages in terms of innovation and with a presence on the full value chain to support its position as a **leader in environmental performance**.

FORTHCOMING COMMUNICATIONS:

- **April 28, 2011:** Publication of the 1st quarter of 2011
- **May 19, 2011:** Annual General Meeting of Shareholders

Press contact:

Tel: +33 1 58 81 23 23

Analysts/Investors Contact:

Tel: +33 1 58 81 24 95

[12] Including the scope effect linked to the AGBAR operation in 2011.
[13] Compared to the previously stated objective of 3 times in 2012.

Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge to protect resources on a daily basis by providing innovative solutions to industries and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 91 million people, provides wastewater treatment services for 61 million people and collects the waste produced by more than 50 million people. SUEZ ENVIRONNEMENT has 79,554 employees and, with its presence on five continents, is the world's leader exclusively dedicated to environmental services. SUEZ ENVIRONNEMENT, a 35.4% GDF SUEZ affiliate, reported sales turnover of 13.9 billion euros at the end of financial year 2010.

THIS PRESS RELEASE AND PRESENTATION ARE AVAILABLE ON WWW.SUEZ-ENVIRONNEMENT.COM.

A LIVE AND RECORDED WEBCAST OF THE ANALYSTS AND INVESTORS CONFERENCE WILL ALSO BE AVAILABLE .

APPENDIX

GEOGRAPHICAL BREAKDOWN OF REVENUES

Revenues	31/12/2010		31/12/2009		Total change	
	€ m	% of total	€ m	% of total	€ m	%
Europe	**10,104**	72.9%	**9,562**	77.8%	**543**	5.7%
France	5,082	36.6%	4,941	40.2%	140	2.8%
Spain	1,592	11.5%	1,537	12.5%	56	3.6%
UK	903	6.5%	911	7.4%	-8	-0.9%
Other Europe	2,528	18.2%	2,173	17.7%	354	16.3%
North America	**829**	6.0%	**751**	6.1%	**78**	10.4%
Australia	**786**	5.7%	**355**	2.9%	**432**	121.7%
Sub-total	**11,719**	84.5%	**10,668**	86.7%	**1,052**	9.9%
Rest of the world	2,150	15.5%	1,628	13.3%	521	32.0%
TOTAL	**13,869**	100.0%	**12,296**	100.0%	**1,573**	12.8%

SUMMARY BALANCE SHEET

In €m

ASSETS	31/12/09	31/12/10
NON CURRENT ASSETS	**13,683**	**18,395**
o/w goodwill	3,070	3,128
CURRENT ASSETS	**8,864**	**7,535**
o/w financial assets at fair value through income	1,141	265
o/w cash & cash equivalents	2,712	1,827
TOTAL ASSETS	**22,548**	**25,930**

LIABILITIES	31/12/09	31/12/10
Equity, group share	3,676	4,773
Minority Interests	742	1,854
TOTAL EQUITY	**4,418**	**6,627**
Provisions	1,389	1,657
Financial Debt	10,080	9,640
Other Liabilities	6,660	8,007
TOTAL LIABILITIES	**22,548**	**25,930**

SUMMARY INCOME STATEMENT

In €m	FY 2009	FY 2010
REVENUE	**12,296**	**13,869**
Depreciation, amortization & provisions	(851)	(1,027)
CURRENT OPERATING INCOME	**926**	**1,025**
INCOME FROM OPERATING ACTIVITIES	**867**	**1,221**
Financial result	(260)	(414)
Associates	38	31
Income tax	(129)	(119)
Minority interest	(113)	(155)
NET RESULT GROUP SHARE	**403**	**565**

SUMMARY CASH FLOW STATEMENT

In €m	FY 2009	FY 2010
Gross cash flow before financial loss and income tax	1,797	1,977
Income tax paid (excl. income tax paid on disposals)	(115)	(356)
Change in operating working capital	(77)	269
CASH FLOW FROM OPERATING ACTIVITIES	**1,606**	**1,890**
Net tangible and intangible investments	(1,083)	(1,346)
Financial investments	(330)	(587)
Disposals	352	632
Other investment flows	37	(14)
CASH FLOW FROM INVESTMENT ACTIVITIES	**(1,024)**	**(1,315)**
Dividends paid	(431)	(457)
Balance of reimbursement of debt / new debt	2,141	(2,131)
Interests paid on financial activities	(196)	(368)
Capital increase	13	4
Other cash flows	(1,069)	1,475
CASH FLOW FROM FINANCIAL ACTIVITIES	**458**	**(1,477)**
Impact of currency, accounting practices and other	4	17
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	**1,669**	**2,712**
Total cash flow for the period	1,043	(885)
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**2,712**	**1,827**